

ANNUAL REPORT TO STOCKHOLDERS



1959

THE COCA-COLA COMPANY
BOARDS NEW YORK, NEW YORK

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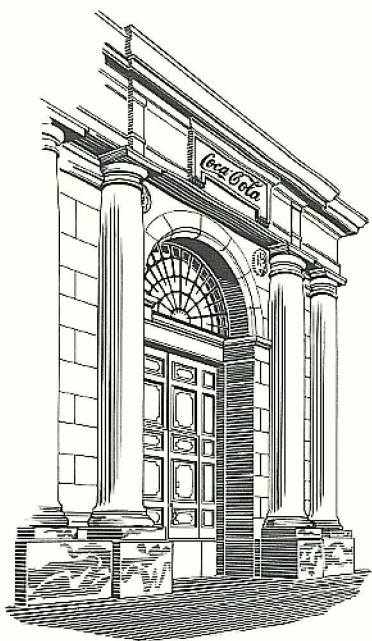


ANNUAL REPORT

The Coca-Cola Company

and its Subsidiaries

1959



Entrance Atlanta office and syrup plant

*Refreshing America
Since 1886*



DRINK
Coca-Cola

The Trade-Mark
in its original script.



Coke means only Coca-Cola . . .
and Coca-Cola means only Coke . . .
each is a registered Trade-Mark
which identifies only The Product of
The Coca-Cola Company

THE COCA-COLA COMPANY

Board of Directors

| | |
|--------------------|---------------------|
| A. A. ACKLIN | JOHN T. LUPTON |
| C. H. CANDLER, JR. | H. B. NICHOLSON |
| R. R. DEUPREE | WINSHIP NUNNALLY |
| JAMES A. FARLEY | WILLIAM E. ROBINSON |
| R. W. FREEMAN | HUGHES SPALDING |
| BERNARD F. GIMBEL | LEE TALLEY |
| LINDSEY HOPKINS | D. A. TURNER |
| HARRISON JONES | GEORGE W. WOODRUFF |

R. W. WOODRUFF

Officers

| | |
|-----------------------|--------------------------------------|
| WILLIAM E. ROBINSON | <i>Chairman, Board of Directors</i> |
| H. B. NICHOLSON | <i>Chairman, Executive Committee</i> |
| LEE TALLEY | <i>President</i> |
| EDGAR J. FORIO | <i>Senior Vice President</i> |
| C. W. ADAMS | <i>Vice President</i> |
| RALPH J. BARRY | <i>Vice President</i> |
| HUNTER S. BELL | <i>Vice President</i> |
| C. W. HODGSON | <i>Vice President</i> |
| M. S. HODGSON, JR. | <i>Vice President</i> |
| O. E. MAY | <i>Vice President</i> |
| B. H. OEHLERT, JR. | <i>Vice President</i> |
| LEE PRICE | <i>Vice President</i> |
| HAROLD S. SHARP | <i>Vice President</i> |
| E. D. SLEDGE | <i>Vice President</i> |
| JOHN C. STATON | <i>Vice President</i> |
| JOHN D. GOODLOE | <i>Secretary</i> |
| RAYMOND W. BOWLING | <i>Treasurer</i> |
| FILLMORE B. EISENBERG | <i>Controller</i> |

General Counsel

JOHN D. GOODLOE

FOREIGN OPERATIONS

The Coca-Cola Export Corporation

| | |
|---|---|
| JAMES A. FARLEY, New York, N. Y. | <i>Chairman, Board of Directors</i> |
| J. PAUL AUSTIN, New York, N. Y. | <i>President</i> |
| C. L. AYRES, Sydney, Australia | <i>Vice President</i> |
| W. M. BEKKER, Buenos Aires, Argentina . . . | <i>Vice President</i> |
| F. W. HARROLD, New York, N. Y. | <i>Vice President</i> |
| MAX KEITH, Essen, Germany | <i>Vice President</i> |
| A. E. KILLEEN, Johannesburg, South Africa . . | <i>Vice President</i> |
| ALEXANDER MAKINSKY, Paris, France | <i>Vice President</i> |
| H. B. NICHOLSON, Jr., Brussels, Belgium . . | <i>Vice President</i> |
| J. W. RINTELEN, New York, N. Y. | <i>Vice President</i> |
| W. H. ROBERTS, Manila, Philippines | <i>Vice President</i> |
| J. B. SHERWOOD, Mexico City, Mexico . . . | <i>Vice President</i> |
| C. A. SHILLINGLAW, New York, N. Y. | <i>Vice President</i> |
| JOHN R. TALLEY, Rome, Italy | <i>Vice President</i> |
| A. S. WILLIAMS, London, England | <i>Vice President</i> |
| H. F. MACMILLAN, New York, N. Y. | <i>Vice President and General Counsel</i> |
| ROY S. JONES, New York, N. Y. | <i>Vice President and Secretary</i> |
| J. H. WILSON, New York, N. Y. | <i>Vice President and Treasurer</i> |

Coca-Cola Ltd. (Canada)

| | |
|----------------------------|-------------------------------------|
| H. B. NICHOLSON | <i>Chairman, Board of Directors</i> |
| R. E. SEWELL | <i>President</i> |
| E. W. GRANT | <i>Vice President</i> |
| R. W. KEAST | <i>Vice President</i> |
| L. M. HUNTER | <i>Vice President</i> |
| A. B. BALLENTINE | <i>Secretary</i> |
| C. W. I. JACKSON | <i>Treasurer</i> |

Compania Embotelladora Coca-Cola, S. A. (Cuba)

| | |
|------------------------------|-------------------------------------|
| H. B. NICHOLSON | <i>Chairman, Board of Directors</i> |
| R. M. THOMAS | <i>President</i> |
| R. J. THOMPSON | <i>Vice President</i> |
| W. A. BOYKIN, JR. | <i>Secretary</i> |
| RAYMOND W. BOWLING | <i>Treasurer</i> |

THE COCA-COLA COMPANY
NEW YORK, NEW YORK

March 7, 1960

TO THE STOCKHOLDERS OF
THE COCA-COLA COMPANY:

Net profit after taxes and all other charges was \$33,581,679 or \$7.91 per share in 1959 compared with \$30,038,591 or \$7.10 per share in 1958. In gallons, and in dollar volume, both within and outside the United States, 1959 again exceeded the highest previous record in the Company's 74-year history.

The upward trend in our domestic and global business in 1959 has continued into 1960 and our appropriations for advertising, promotional service and quality control—salient factors in our past progress—are being currently stepped up to new high levels so as to assure vigorous support to prevailing patterns of growth.

The stockholders having approved a split of 3 for 1 in the common stock of the Company at a special meeting on January 18, 1960, a dividend of 60¢ per share on the new stock has been declared for the first quarter of 1960. This rate, on an annual basis, would be equivalent to \$7.20 per share on the stock outstanding before the split, compared with \$6.50 in 1959 and \$5.00 in 1958.

The consolidated balance sheet, profit and loss statement and earned surplus account appear on the following pages. A separate mailing will contain proxy forms and notice of the annual meeting of stockholders at 11 A.M., E.S.T., on Monday, May 2, 1960, at the office of the Company, 100 West Tenth Street, Wilmington, Delaware.

For the Board of Directors,

LEE TALLEY,
President

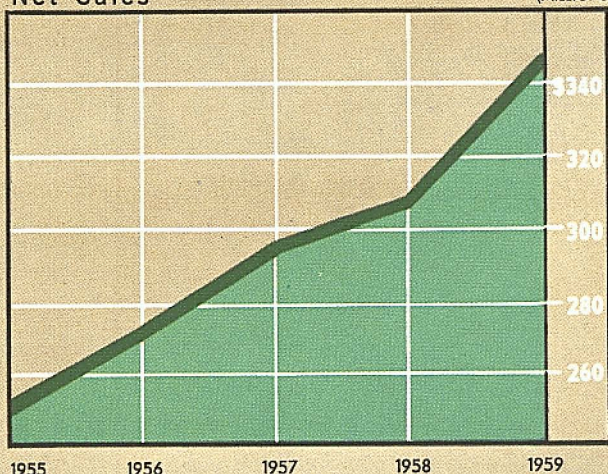
WILLIAM E. ROBINSON,
Chairman of the Board

THE COCA-COLA COMPANY

and its
Subsidiaries

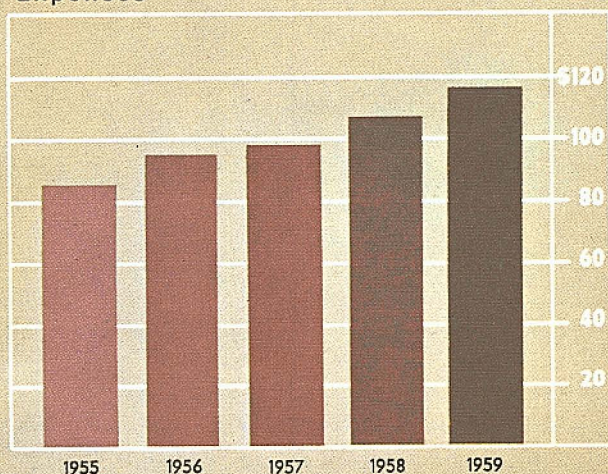
Net Sales

(MILLIONS)



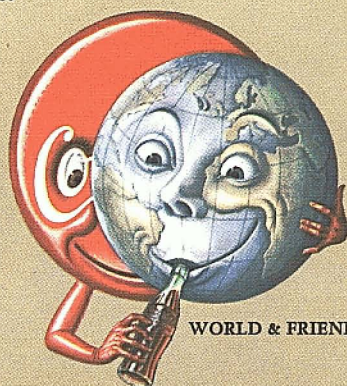
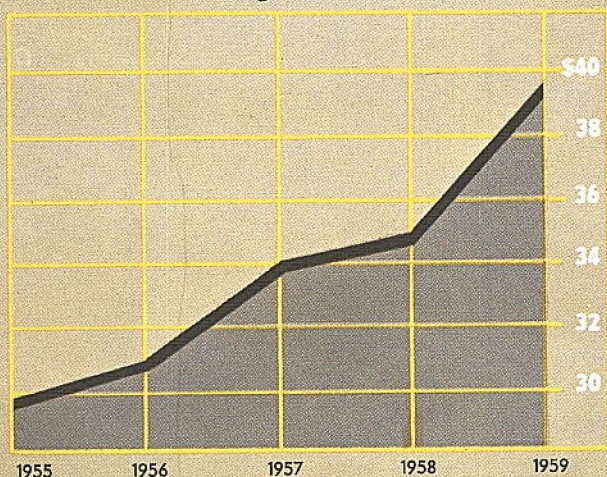
Expenses

(MILLIONS)



Net Earnings After Taxes, Before Reserve
For Unremitted Foreign Profits.

(MILLIONS)



WORLD & FRIEND

Cover by Boris Artzybasheff for
TIME, The Weekly Newsmagazine,
May 15, 1950

Consolidated

The Coca-Cola Company and its

Assets

CURRENT:

| | |
|--|-------------------|
| Cash | \$ 34,633,955 |
| Government securities — at cost: | |
| United States and Municipal | |
| (market price \$69,846,868) | 71,558,607 |
| Trade accounts receivable | |
| (less allowance of \$173,615) | 21,671,936 |
| Inventories | |
| (at lower of average cost or market) | 35,134,781 |
| Prepaid expenses | <u>5,756,372</u> |
| TOTAL CURRENT ASSETS | \$168,755,651 |

MISCELLANEOUS RECEIVABLES AND INVESTMENTS 10,972,958

PROPERTY, PLANT AND EQUIPMENT:

At cost:

| | |
|-----------------------------------|-------------------|
| Land | \$ 6,817,152 |
| Buildings | 51,068,810 |
| Machinery and equipment | 83,431,751 |
| Containers | <u>14,910,102</u> |
| | \$156,227,815 |

| | | |
|---------------------------------|-------------------|------------|
| Less allowance for depreciation | <u>67,469,279</u> | 88,758,536 |
|---------------------------------|-------------------|------------|

| | |
|---|-----------------------------|
| FORMULAE, TRADE-MARK AND GOODWILL—at cost | <u>40,198,392</u> |
| | <u><u>\$308,685,537</u></u> |

Balance Sheet

Subsidiaries December 31, 1959

Liabilities

CURRENT:

| | | |
|---|-------------------|-------------------|
| Accounts payable and accrued accounts | \$ 22,850,916 | |
| Notes payable by subsidiaries | 1,968,778 | |
| Accrued taxes — including taxes on income | \$ 35,736,877 | |
| Less U. S. Government securities for payment of income taxes . | <u>17,804,254</u> | <u>17,932,623</u> |
| TOTAL CURRENT LIABILITIES | \$ 42,752,317 | |
| RESERVE FOR UNREMITTED FOREIGN PROFITS . . . | 45,849,473 | |

CAPITAL STOCK AND SURPLUS:

Common stock — no par value:

| | | |
|---|--------------------|----------------------|
| Authorized 5,000,000 shares | | |
| Issued . . . 4,280,805 shares | \$ 26,755,031 | |
| Capital surplus | 2,394,607 | |
| Earned surplus | <u>192,518,260</u> | |
| | \$221,667,898 | |
| Less 13,052 shares of stock owned by Company — at cost | <u>1,584,151</u> | <u>220,083,747</u> |
| | | <u>\$308,685,537</u> |

The Coca-Cola Company

and its Subsidiaries

Year Ended December 31, 1959

Consolidated Profit and Loss Statement

| | | |
|--|------------------|----------------------|
| Net sales | | \$342,257,378 |
| Cost of goods sold | | <u>145,929,708</u> |
| GROSS PROFIT | | \$196,327,670 |
| Selling, administrative and general expenses | | <u>117,221,136</u> |
| OPERATING PROFIT | | \$ 79,106,534 |
| Other deductions | \$ 6,991,834 | |
| Less other income | <u>5,035,979</u> | <u>1,955,855</u> |
| PROFIT BEFORE TAXES ON INCOME | | \$ 77,150,679 |
| Provision for taxes on income | | <u>43,569,000</u> |
| NET PROFIT | | <u>\$ 33,581,679</u> |

Consolidated Earned Surplus Statement

| | | |
|--|-------------------|----------------------|
| Balance — December 31, 1958 | | \$186,603,887 |
| Net profit for the year 1959 | | <u>33,581,679</u> |
| | | \$220,185,566 |
| DEDUCTIONS | | |
| Dividends paid in cash: | | |
| Mar. 31, 1959 — \$1.00 per share | \$ 4,280,805 | |
| June 30, 1959 — \$1.00 per share | 4,280,805 | |
| Sept. 30, 1959 — \$1.00 per share | 4,280,805 | |
| Dec. 14, 1959 — \$1.00 per share | | |
| plus \$2.50 per share additional | <u>14,982,818</u> | |
| | \$27,825,233 | |
| Less dividends on shares | | |
| owned by Company during year | <u>157,927</u> | <u>27,667,306</u> |
| EARNED SURPLUS — DECEMBER 31, 1959 | | <u>\$192,518,260</u> |

See Notes to Financial Statements

Notes to Financial Statements

1. *Foreign Operations.* The consolidated balance sheet includes the following amounts with respect to subsidiaries and branches operating in foreign countries: current assets, \$49,547,779 (including cash and government securities totaling \$25,702,262); property, plant, and equipment at depreciated cost, \$42,783,012; other assets, \$5,150,139; and liabilities, \$28,174,417. Property accounts have been converted at rates of exchange prevailing at dates of acquisition and all other assets and liabilities at approximate rates of exchange prevailing at December 31, 1959.

In accordance with the Company's established policy, consolidated net profit includes the entire net profits of the Canadian and Cuban subsidiaries, but includes net profits of other foreign operations only to the extent such profits have been remitted to the Company. Accordingly, the other deductions account in the consolidated profit and loss statement includes a provision for an addition to the reserve for unremitted foreign profits in the amount of \$6,145,846, representing foreign profits earned but unremitted in 1959.

2. *Capital Stock.* On January 22, 1960, the authorized common stock was increased to 15,000,000 shares, and two additional shares of common stock have been issued to stockholders for each share held on that date. The issuance of these additional shares will have no effect on the amount assigned to the capital stock account.

The Company in 1955 reserved 225,000 shares of either or both treasury and authorized but unissued common stock for sale under employees' stock options, to certain officers and employees of the Company and its subsidiaries at market prices on the option granting dates. Options for up to ten years each have been granted at prices varying from \$112.125 to \$162.875 per share, including 32,325 shares granted during the year 1959. At December 31, 1958, options for 166,426 shares were outstanding. During the year 1959, options for 9,353 shares were cancelled as a result of retirement, death, or resignation; options for 37,375 shares were exercised. At December 31, 1959, options for 152,023 shares were outstanding, of which 36,459 shares represented the exercisable portion of options. At the beginning and end of 1959, the number of shares reserved for options which may be granted was 58,574 and 35,602 respectively. The foregoing information concerning stock options relates to the status of this matter at December 31, 1959 and is, therefore, prior to the stock split. In accordance with the stock option plan, the total number of shares which may be optioned and the number of such shares covered in each outstanding option has been increased and the price per share decreased to give effect to the three-for-one stock split.

3. *Depreciation.* Provision for depreciation in the amount of \$9,590,816 was charged to manufacturing and other expenses.

Accountants' Report

ERNST & ERNST

ACCOUNTANTS-AUDITORS
MANAGEMENT SERVICES

OFFICES IN PRINCIPAL CITIES
ASSOCIATES IN FOREIGN COUNTRIES

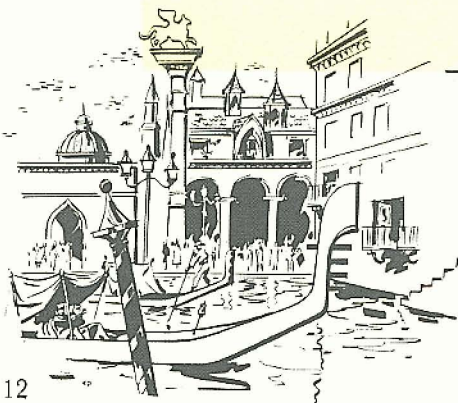
TO THE BOARD OF DIRECTORS
THE COCA-COLA COMPANY
NEW YORK, NEW YORK

We have examined the consolidated financial statements of THE COCA-COLA COMPANY and its subsidiaries as of December 31, 1959. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of profit and loss and earned surplus present fairly the consolidated financial position of THE COCA-COLA COMPANY and its subsidiaries at December 31, 1959, and the consolidated results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ERNST & ERNST
Certified Public Accountants

February 29, 1960



BEVETE
Coca-Cola

TRANSFER AGENTS

WILMINGTON TRUST COMPANY

Wilmington, Delaware

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK

New York, New York

TRUST COMPANY OF GEORGIA

Atlanta, Georgia

REGISTRARS

BANK OF DELAWARE

Wilmington, Delaware

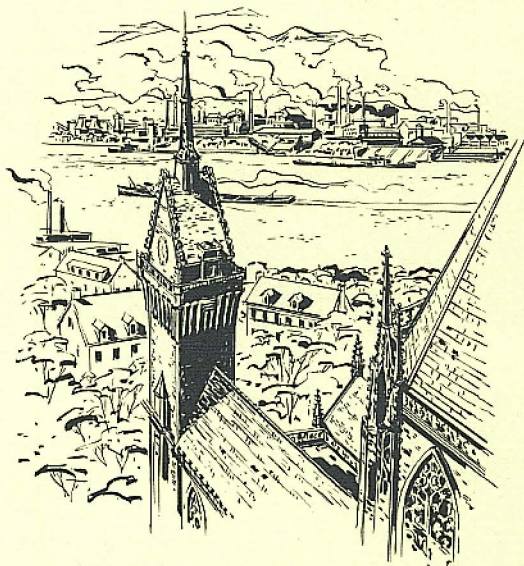
THE CHASE MANHATTAN BANK

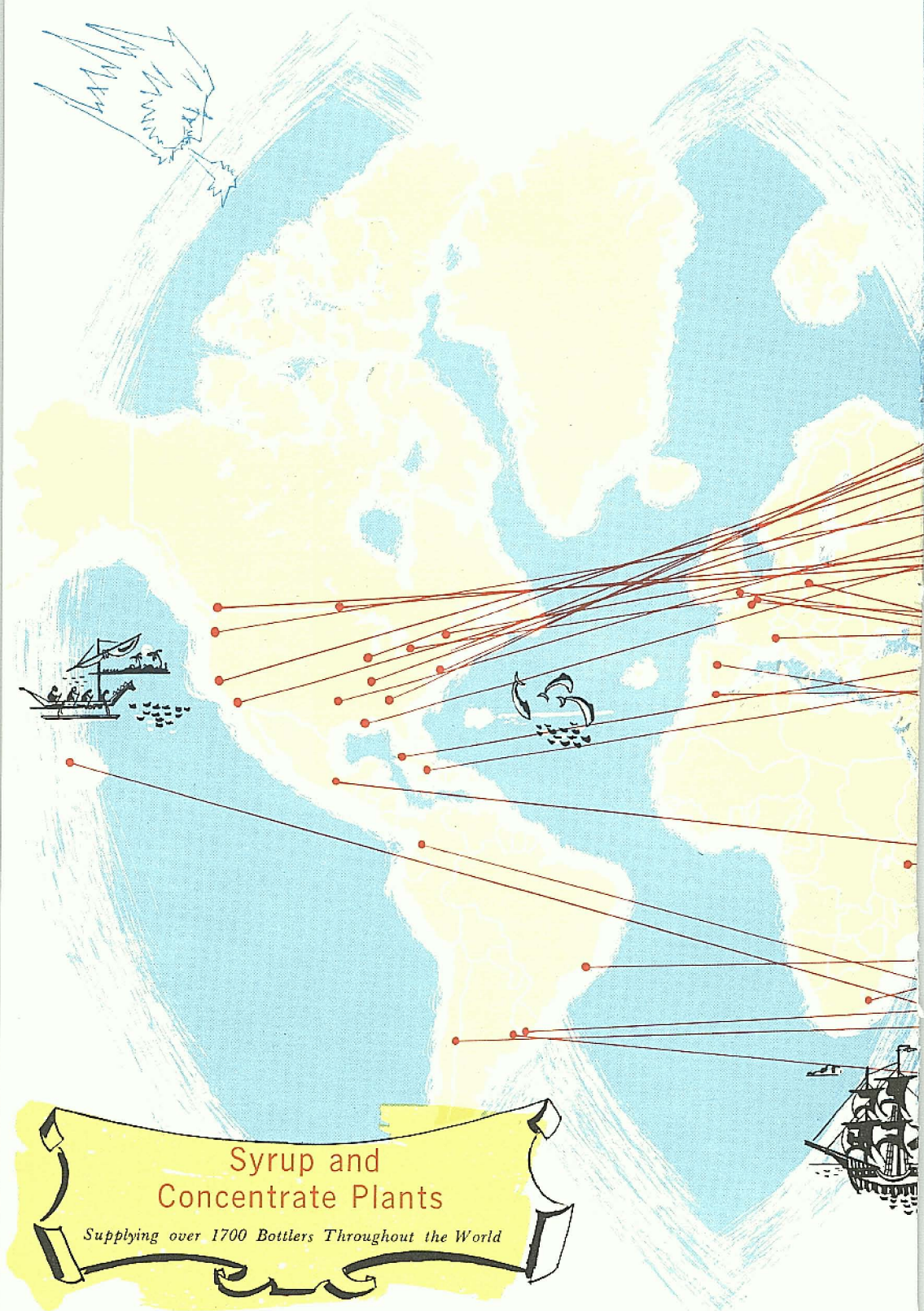
New York, New York

THE FIRST NATIONAL BANK
OF ATLANTA

Atlanta, Georgia

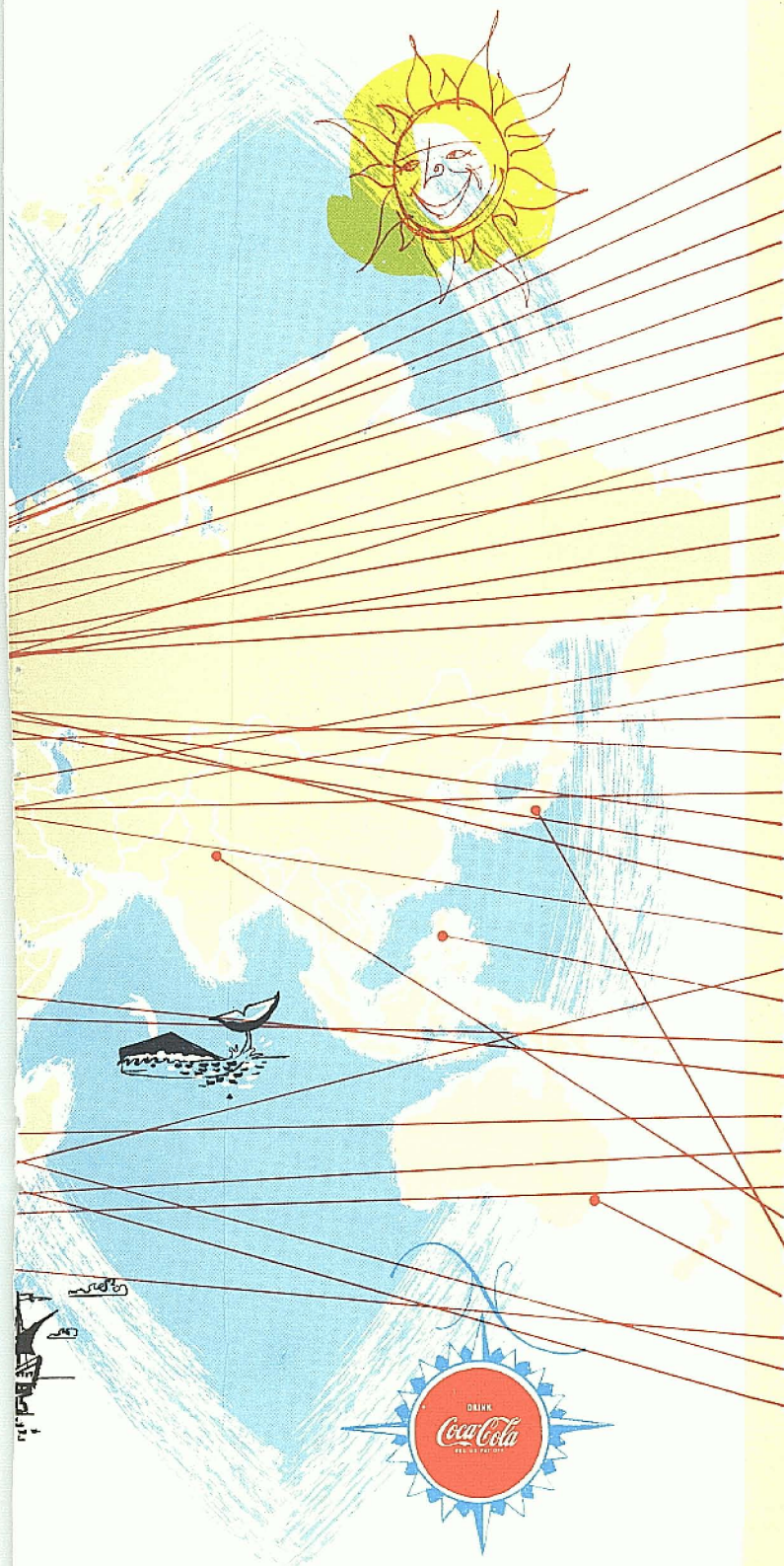
TRINK
Coca-Cola



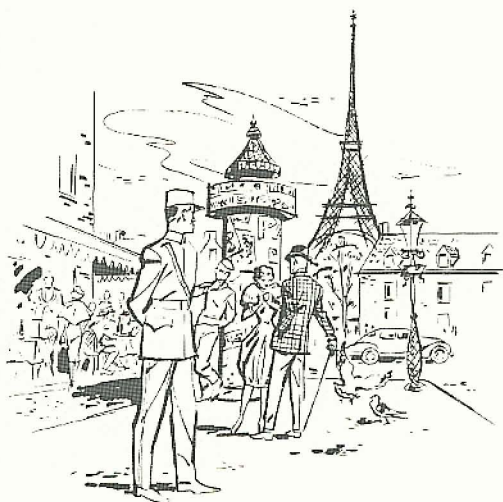


Syrup and Concentrate Plants

Supplying over 1700 Bottlers Throughout the World



- Atlanta
- Baltimore
- Kearny
- Chicago
- St. Louis
- San Francisco
- Los Angeles
- Dallas
- New Orleans
- Portland
- Montreal
- Toronto
- Winnipeg
- Vancouver
- Havana
- Santiago, Cuba
- Milan
- Lille
- Casablanca
- London
- Brussels
- Essen
- Madrid
- Durban
- Manila
- Nairobi
- Mexico City
- Rio de Janeiro
- Montevideo
- Santiago, Chile
- New Delhi
- Tokyo
- Sydney
- Buenos Aires
- Cali
- Honolulu



BUVEZ
Coca-Cola



*Whoever you are,
Whatever you do,
Wherever you may be,
When you think of refreshment,
Think of Coca-Cola
For Coca-Cola makes any pause,
The Pause That Refreshes
And ice-cold Coca-Cola is everywhere.*

TOME
Coca-Cola



